

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4808

STATE OF NEW JERSEY

DATED: OCTOBER 21, 2020

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 4808.

This bill would establish, in the Board of Public Utilities (BPU), the “Broadband Assistance Office” (broadband office), and require the office to formulate and execute a comprehensive Statewide policy to foster the provision of wired broadband service by government entities. The bill would allow a government entity to develop a broadband project under a public-private partnership (P3) agreement. The broadband office would be responsible for promoting and approving broadband projects under the bill. The broadband office would establish guidelines for the office’s approval, designation, operation, and reporting of broadband projects. The broadband office would oversee, coordinate, and provide assistance for broadband projects approved by the broadband office.

The bill would bestow the following duties and responsibilities upon the broadband office:

- mapping Internet connectivity within the State;
- engaging with stakeholders, such as broadband infrastructure developers, broadband service providers, and local government and school officials representing underserved communities;
- coordinating financial and technical assistance to municipalities that lack adequate broadband service, or which contain households and small businesses that cannot currently afford to receive broadband service;
- encouraging government and private entities to invest in broadband projects;
- assisting government and private entities to develop broadband projects;
- promoting informed and timely decision-making with regard to the development of broadband projects;
- establishing appropriate qualifications for government and private entities undertaking a broadband project under a P3 agreement; and

- monitoring and enforcing the broadband project policies and procedures established pursuant to the bill, which may include a provision for potential revenue sharing opportunities between a government entity and a private entity in certain defined or agreed circumstances, including broadband projects that achieve profits that exceed a negotiated rate of return established for a private entity in a P3 agreement.

In evaluating a proposed broadband project, the bill would require the broadband office to: 1) consider whether leasing or purchasing broadband infrastructure is more advantageous in providing faster broadband service; 2) consider whether a government entity or a non-profit corporation should provide broadband infrastructure or broadband service to an underserved community; 3) evaluate methods used by communities across the country to provide broadband infrastructure or broadband service to an underserved community; 4) determine the most cost effective method in which to establish broadband infrastructure and broadband service; and 5) explore all possible sources of funding and technical assistance for the establishment of broadband infrastructure and broadband service in underserved communities.

The bill would establish in the BPU the non-lapsing “State Broadband Fund” (broadband fund) to fund operation of the broadband office. The BPU would determine the level of funding and the appropriate administration of the broadband fund. The bill would require the BPU to provide sufficient funding to the broadband office to enable the office to provide funding for underserved communities to pay for broadband service and for the installation or expanded use of broadband infrastructure for communities that lack broadband access, specifically the portion of a communications infrastructure network that physically reaches the residents' or small business's premises within those communities.

The bill would require BPU to annually report to the Governor and the Legislature the number, nature, structure, and scope of each broadband project developed, and whether the broadband project is developed under a P3 agreement. Among other things, the report would set forth recommendations for improving the program to better foster the development of broadband projects.